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NOTES.

ENTHUSIASTS who hope for concessions from Great Britain in order to further an international bimetallic agreement would do well to consider whether there is any real ground to hope for even the opening of the Indian mints. In the first place, since the closing of the mints, the rupee has been maintained at a higher value than the value of the silver it contains (although not as high as the legal rate of 16d.). At present the fluctuations in exchange are not so extreme, and, therefore, not so productive of uncertainty in the budget as they were before June 26, 1893. To open the Indian mints without practically absolute certainty of the future control over the world-price of silver would be to give up a present advantage for a future uncertainty. Unless the promoters of an international agreement can promise more than is likely to be believed, it is quite unlikely that the gains already accrued from the closing of the Indian mints will be sacrificed. The comparison between the rates of exchange on India (payable in India in rupees) and the price of the silver contents of a rupee is striking and suggestive. The rupee is now a token coin, circulating at a nominal value far above the value of its contents as bullion. Opening the mints would at once lower the value of the coined rupee (and the rate of exchange) to the value of the silver it contains; just as free coinage in the United States, or France, would bring the dollar, or the five-franc piece, to the worth of the bullion in each coin. The fluctuations of exchange are now on a higher level than those of silver; and opening the mints would bring a new disturbance. And as a compensation there is only the remote contingency that possibly enough states might unite to control the world-value of silver. Conservative statesmen are not likely to rise to this fly.

AS MARKING the beginning of profound changes in American constitutions, the legislation concerning the referendum and initiative in Nebraska and South Dakota the past year is important. In Nebraska the law enables the voters of cities by special election to adopt the referendum, provided a two-thirds majority is recorded in its favor.

When thus adopted by a city, all future ordinances passed by the council shall not go into effect for thirty days, and in the meantime, on petition of 5 per cent. of the voters, any ordinance must be submitted to the people, and receive the approval of a majority of the votes, in order to give it legal effect. Exceptions are made for public peace, health, and current expenditures. Also 15 per cent. of the voters may petition for a proposed ordinance, and 20 per cent. of the voters may compel the mayor and council to submit such ordinance to a popular vote.

In South Dakota a joint resolution has been adopted submitting a constitutional amendment to the people of the state providing for the referendum and initiative for both the state and municipalities. The amendment is on Section 1, Article III of the constitution, and runs as follows :

The legislative power of the state shall be vested in a legislature, which shall consist in a senate and house of representatives, except that the people expressly reserve to themselves the right to propose measures, which measures the legislature shall enact and submit to a vote of the electors of the state, and also the right to require that any laws which the legislature may have enacted shall be submitted to a vote of the electors of the state before going into effect (except such laws as may be necessary for the immediate preservation of the public peace, health, or safety, support of the state government and its existing public institutions).

Provided, that not more than 5 per cent. of the qualified electors of the state shall be required to invoke either the initiative or the referendum.

This section shall not be construed so as to deprive the legislature or any member thereof of the right to propose any measure. The veto power of the executive shall not be exercised as to measures referred to a vote of the people. This section shall apply to municipalities. The enacting clause of all laws approved by vote of the electors of the state shall be : "Be it enacted by the people of South Dakota." The legislature shall make suitable provisions for carrying into effect the provisions of this section.

In both cases it will be seen that the proposed referendum is optional (*facultatif*), and not obligatory (*obligatoire*), and that the initiative, which in Switzerland came much later than the referendum, is here brought along with the first draft of the referendum. In the South Dakota amendment, however, it is not expressly provided that the legislature or council shall not amend an initiative measure before submitting it to the voters, a provision quite necessary to give the initiative effect. This provision exists in the Nebraska law, but requires

20 per cent. of the voters, instead of 5 per cent. as in South Dakota, to enforce it. In the form proposed in these two states the referendum and initiative cannot be looked upon as a measure for securing new legislation. It is practically only a popular veto instead of an executive veto on the legislature and councils. At this point, however, it will undoubtedly prove a specific for the most dangerous evil of our representative system, the corruption of aldermen and legislators by large and unscrupulous moneyed interests, as well as the "strikes" upon corporations by "sandbagging" lawmakers. No other legislation of importance can receive candid popular consideration until the influence of corrupt money is obliterated from the electoral machinery; and, if the experience of Switzerland is a guide, the referendum will thoroughly accomplish this result.

J. R. COMMONS.

THE AUSTRIAN POSTAL SAVINGS-BANK.

IN VIEW of the proposals for the establishment of a postal savings-bank, it is interesting to note the recent increase in the extent of the operations of the Austro-Hungarian Postsparkassenamt, which has now been in successful operation since 1883, and its influence in extending the use of credit devices. According to the latest report of the institution, there are now nearly 31,000 check-book holders; and their transfers by check during the year 1896 amounted to 3310 million florins as against 2970 millions in 1895. The average number of checks drawn by each person was 476, of an average value of 103.1 fl., as against 466 checks averaging 100.8 fl. in 1895. This shows an extension of business highly gratifying when the unfamiliarity of the population with the use of credit instruments, and its disinclination to the new form of payment, are considered. This is especially the case when it is recalled that of the depositors (not all of whom are check-book holders) a large proportion are ordinary hand workers and the like.

As is well known, the Austrian Postsparkassenamt performs its own clearings, refusing to join with the banks of the Saldirungsverein. Its clearing house is thus an entirely independent institution. According to the document already cited,¹ no less than 22,918 persons, or 74.3 per cent. of the total number of check-book holders, were in 1896 members of the clearing house; this being an advance of about 10 per cent.

¹ *Dreizehnter Rechenschafts-Bericht des k. k. Postsparkassenamts für das Jahr 1896.*